

CALIFORNIA EXPOSITION & STATE FAIR

Minutes of the Board of Directors Meeting

Held Pursuant to Due Notice
Friday, March 28, 2008

California Exposition & State Fair
Administration Building Boardroom
1600 Exposition Boulevard
Sacramento, CA 95815

Directors Present

Marko Mlikotin, Chair
Director Gil Albiani
Director Steve Beneto
Director Brenda Washington Davis
Director Corny Gallagher
Director Marilyn Hendrickson
Director Rex Hime
Director Bert Johnson, M.D.

Directors Absent

Amparo Pérez-Cook, Vice Chair
Director Kathy Nakase

Ex Officio Members Absent

Assembly Member Dave Jones
Senator Darrell Steinberg

Staff Present

Norbert J. Bartosik, General Manager/CEO (GM)
Brian A. May, Deputy General Manager (DGM)
David Elliott, Assistant General Manager, Racing (AGM)
Erica Manuel, Assistant General Manager, Marketing & Public Relations (AGM)
Steve Launey, Assistant General Manager, Planning & Facilities (AGM)
Patricia Garamendi, Assistant General Manager, Programs (AGM)
Amy Casias, Accounting & Finance Manager
Marcia Shell, Admissions & Parking Manager
Louise Shroder, Exposition Event Manager
Robert Craft, Chief of Police
Greg Kinder, Exhibits Supervisor
Michael Bradley, Chief Bureau of Exhibits (CBE)
Paul Gillingham, Entertainment Coordinator
Mark Dannewitz, Maintenance Operations Manager
Heather Lopez, Marketing Assistant
Randy Brink, Cal Expo Volunteer
Linda Contreras, Recording Secretary

Others Present*

Jerry Blair, Deputy Attorney General (DAG)

Sonney Chong, Representative for Assembly Member Dave Jones

Walter Edwards, Representative for Senator Darrell Steinberg

Dave Mering, MeringCarson

Lori Bartle, MeringCarson

Norm Towne, Legislative Advocate

Lance Gunnersen, California Industrial & Technology Education Association

Fred Kendell, Black Oak Mine Unified Schools

Darren Willis, California Drafting Technology Consortium

Lezlie Sterling, The Sacramento Bee

Lloyd Bakan, Lloyd Bakan Consultants

*May not include all others present in the room or arriving late.

1. CALL TO ORDER

The meeting was called to order by Chair Mlikotin at 12:30 p.m.

Chair Mlikotin read the Mission Statement, Policy Statement and Public Comments Statement.

2. PLEDGE OF ALLEGIANCE

Chair Mlikotin asked Cal Expo Volunteer, Randy Brink, to lead everyone in the Pledge of Allegiance.

3. ROLL CALL AND DIRECTORS ABSENT

Roll call was taken by GM Bartosik. Vice Chair Pérez-Cook and Director Nakase had asked to be excused and were not present.

4. INTRODUCTION OF GUESTS AND STAFF

Introduction of Guests and Staff were made around the room.

5. PRESENTATIONS

a. Presentation by the Board to Outgoing Director Brenda Washington Davis

Chair Mlikotin presented Outgoing Director Brenda Washington Davis with a State Fair Golden Bear Award, Lifetime Credential and Directors Chair.

Outgoing Director Brenda Washington Davis thanked the Board and Staff.

6. MINUTES OF MEETING

a. Board Meeting Minutes of February 22, 2008

Motion:

It was moved by Director Hime and seconded by Director Gallagher to approve the minutes of the February 22, 2008 meeting as mailed. **All in favor, motion carried.**

7. COMMITTEE AND STAFF REPORTS

a. State Fair, Agriculture & Marketing Committee Reports

Director Albiani reported that the Committee recommends approval of the changes to the 2008 General Rules noted under the Consent Calendar.

Motion:

It was moved by Director Hime and seconded by Director Gallagher to approve the changes to the 2008 General Rules. **All in favor, motion carried.**

Director Albiani reported that the Committee recommends approval of the changes to the California State Fair Western National Junior Guernsey Show.

Motion:

It was moved by Director Hime and seconded by Director Hendrickson to approve the changes to the California State Fair Western National Junior Guernsey Show. **All in favor, motion carried.**

AGM Manuel reviewed her report included in the Board packet. AGM Manuel reported that Kaiser and Carl's Jr. have agreed to sponsorships with the State Fair. Staff is hoping to secure a sponsorship with McDonalds for a Monday promotion.

AGM Manuel reported that a Step-Up Dancers Community calendar will be included in next month's Board report.

Director Hime asked AGM Manuel what is the comparison in the Sponsorship Sales revenue compared to 2007? AGM Manuel did not have that information but would provide it to the Board.

AGM Manuel reported that the Cultural Advisory Council met last week and MeringCarson presented the three advertising campaigns for the State Fair. The Cultural Advisory Council has scheduled a meeting to discuss the Entertainment for the State Fair on Tuesday, April 18.

AGM Garamendi reviewed her report on the new Youth Art & Design Expo program included in the Board packet.

Public Comments:

Darren Willis, California Drafting Technology Consortium

Darrin Willis addressed the Board on the new Youth Art & Design Expo highlighted in AGM Garamendi's report. Mr. Willis expressed a concern about the direction and the changes to the categories.

Fred Kendall, Black Oak Mine Unified School District

Fred Kendall read a letter from Rob Schamberg, Superintendent of Black Oak Mine Unified School District which is attached and made part of the record.

Lance Gunnersen, California Industrial & Technology Education Association

Lance Gunnersen expressed that the proposed changes are not logical when more education dollars are being invested in industrial education.

Exhibits Supervisor, Greg Kinder distributed information on the 2008 Youth Art & Design Expo program to the Board. A copy is attached and made part of the record.

Exhibits Supervisor, Greg Kinder reported that staff had consulted with the Department of Education and received their support on the changes and apologized to the speakers for not consulting each of them personally. There are fewer categories, but the remaining categories were designed in cooperation with the Department of Education.

Exhibits Supervisor, Greg Kinder responded to Director Hime's question about why the urgency. The urgency was an attempt to free up exhibit space for new exhibits.

GM Bartosik suggested that staff meet with those concerned to see if there can be some compromise to meet the goals of the State Fair and the schools. The Board agreed to the GM's recommendation.

AGM Garamendi continued with her reports included in the Board packet.

Staff presented the Hollywood elements summarized in the staff reports.

b. Horse Racing Committee Reports

GM Bartosik reviewed AGM Elliott's harness report distributed to the Board. Personnel costs for the first 3 weeks are \$30,000 under budget and \$110,000 less than Sacramento Harness Association. A copy is attached and made part of the record.

GM Bartosik reviewed the Termination and Release Agreement with Sacramento Harness Association and Notice of Default and Termination of Agreement served on Sacramento Harness Association. A copy is attached and made part of the record.

Sacramento Harness Association currently owes Cal Expo over \$1 million. Sacramento Harness Association is unable to commit to a payment schedule on

the amount of the money it will have to meet its obligations. SCOTWINC and NOTWINC are holding some of the funds due to Sacramento Harness Association to pay off some of Sacramento Harness Association's obligations.

Motion:

It was moved by Director Hime and seconded by Director Gallagher to direct Staff and Counsel to pursue all legal remedies to recover the money owed by Sacramento Harness Association to Cal Expo. **All in favor, motion carried.**

8. FINANCIAL REPORTS

a. Monthly Financial Statements for January 2008 and February 2008

Director Gallagher reviewed the monthly financial statements for January 2008 and February 2008.

Motion:

It was moved by Director Gallagher and seconded by Director Albani to approve the monthly financial statements for January 2008 and February 2008 as mailed. **All in favor, motion carried.**

Motion:

It was moved by Director Gallagher and seconded by Director Albani to authorize staff with the approval of the Executive Committee to secure a line of credit in the event cash flow is insufficient to pay expenses. **All in favor, motion carried.**

b. Purchases/Contracts Requiring Board Approval

Director Gallagher reviewed the Purchases/Contracts Requiring Board Approval.

Motion:

It was moved by Director Hime and seconded by Director Hendrickson to approve the Purchases/Contracts Requiring Board Approval. **All in favor, motion carried.**

c. Purchases/Contracts Requiring Board Notification

The Board had no questions on the Purchases/Contracts Requiring Board Notification.

d. Accounts Receivable Report

Accounting & Finance Manager Casias reviewed the Accounts Receivable Report and reported that the California Department of Boating and Waterways is expected to pay within the next 3 weeks.

Accounting & Finance Manager Casias reported to the Board that the Relief of Accountability will be brought to the Board for approval next month.

Staff is working hard at reducing expenses. New internal budget controls have been implemented.

9. CONSENT CALENDAR

- a. Review for Approval Staff Recommendation of the Changes to the 2008 General Rules

This was discussed and approved during the State Fair, Agriculture & Marketing Committee and Staff report.

- b. California State Fair Western National Junior Guernsey Show

This was discussed and approved during the State Fair, Agriculture & Marketing Committee and Staff report.

10. CORRESPONDENCE

- a. California Department of Food & Agriculture Division of Fairs & Expositions Approval of the 2008 Budget

GM Bartosik reviewed the California Department of Food & Agriculture Division of Fairs & Expositions Approval of the 2008 Budget included in the Board packet.

11. UNFINISHED BUSINESS

- a. Review Sub-Committee Recommendations, if any, on the Termination and Release Agreement with Sacramento Harness Association

This was discussed and approved during the Horse Racing Committee and Staff report.

- b. Review & Comment on Staff Recommendations on the Draft of The American River Parkway Plan and The Bushy Lake Preservation Act

AGM Launey distributed and reviewed the Staff Recommendations on the Draft of the American River Parkway Plan and the Bushy Lake Preservation Act. A copy is attached and made part of the record.

The Board directed staff to move forward.

12. NEW BUSINESS

a. MeringCarson State Fair Creative Concepts Presentation

MeringCarson presented three proposed State Fair ad campaigns. One campaign addresses that the Fair is coming – date, time and place. The second campaign focuses on the Hollywood theme and the third is a blend of both. A nontraditional medium is being recommended to carry the message.

Directors Albiani, Beneto, Hendrickson and Johnson like the “Fairs Coming” campaign. Dave Mering said the “Fairs Coming” campaign targets an older, traditional fairgoer demographic.

The hybrid campaign “Fairly Odd” which is a series of sarcastic phrases targets a younger audience. The Hollywood campaign “It came from the Fair” targets a little of both, but predominately the fence sitters.

After considerable discussion and divergent interests expressed on the part of the Board, it was proposed to explore internet testing of the ad proposals and bring the results back at a future meeting.

MeringCarson was directed to bring back a campaign that uses “Fairly Odd” as a starting point and build in the “Fair’s Coming”.

13. MATTERS OF INFORMATION

a. Publics’ Comments

Randy Brink provided his report.

b. Directors’ Comments

Director Gallagher thanked Staff for their support at Ag Day at the Capitol on Tuesday, March 25, 2008.

c. Manager’s Comments

d. Next Board Meeting – Friday, April 25, 2008

e. Other, if any

14. ADJOURNMENT

The Board meeting was adjourned at 3:45 p.m.



BLACK OAK MINE UNIFIED SCHOOL DISTRICT

Rob Schamberg, Superintendent
rschamberg@bomusd.org
www.bomusd.org

(530) 333-8300 (phone) / (530) 333-8303 (fax)
P.O. Box 4510
6540 Wentworth Springs Road
Georgetown, California 95634

March 21, 2008

Norbert Bartski CEO/General Manager
C/O California Exposition and State Fair
PO Box 15649
Sacramento, CA 95825

Dear Mr. Bartski:

I have been made aware that you have decided to eliminate most, if not all, of the Industrial Arts Exhibition from the California State Fair. It is extremely important that you understand the negative effect of this decision and that you and the Fair Board reconsider this move. The big picture in the State of California is that approximately 30% of students don't graduate from high school. The reasons are many and complex. However, I am convinced, and research demonstrates, that if students find a positive outlet for their talents, if they have quality instruction, and if they are supported in their efforts, that they will generally stick with school and make a positive impact on society.

Our local picture is not as bleak as the rest of the State, however it forms a compelling case for continuing the Industrial Arts Exhibition, and actually enhancing it! Our flagship school, Golden Sierra High School, in Garden Valley, has been recognized for providing students with a strong vocational and academic educational program. We have career and technical education programs in drafting, construction, fire science, journalism, and automotive. (While many other schools were eliminating these programs over the past two decades, we have been committed to strengthening them.) Our dropout rate is only 2%. Most years, 100% of our students pass the High School Exit Exam. Yet, few of our students go on to four year colleges and universities. Much of that is economic, but another profound reason is that many of our students are able to enter the trades after high school and many others continue their education at trade schools and community colleges.

In 2007, Golden Sierra High School was one of three schools recognized in the State for their Career and Technical Education program. Many of our students take pride in having their work judged and awarded at the State Fair. **THIS IS A BIG DEAL IN OUR COMMUNITY.** We are proud of these students, their exceptional teachers, and the families who raise these successful youth. Businesses, large and small, who have hired and promoted our youth, prize the training they receive. The State Fair is an integral part of our program to motivate and reward students who have worked hard and achieved technical brilliance.

Approval GK
2008 Fact Sheet

2008 CALIFORNIA STATE FAIR
YOUTH ART & DESIGN EXPO

LOCATION: Expo Center Building 1

DATE: August 15– September 1, 2008

HOURS: 10:00 a.m. – 10:00 p.m. (Friday-Sunday and Labor Day)
12:00 noon – 10:00 p.m. (Monday – Thursday)

FACTS: New for 2008, is the combination of the Industrial & Technical Education and Youth Exhibits Competitive Programs into one new program called **Youth Art & Design Expo**. These traditional programs will be updated, reworked and modernized with a whole new look in one building within Expo Center.

In combining Industrial & Technical Education and Youth Exhibits into one program, we are looking to begin formulating a program which will take the Fair from past traditional programming into programming with an eye into the future, the future of the youth of California and what they may do in their careers. Regarding the divisions for the Industrial & Technical Education projects for the competition, we have been working with members of the Department of Education to define general competition areas that can capture a broad range of projects for entry. Opportunities for independent youth are who had previously exhibited in Youth Exhibits are also plentiful in the new program. The Youth Art and Design Expo is open to all California youths between age 5 and 18.

One of the new directions that this program will present is an interactive demonstration area highlighting career paths, educational opportunities, colleges and universities, and lifestyles that may be available to today's youth and how they may continue to pursue their talents past high school. The competition will use the American System of Judging for all entries; this will ensure a high level of competition and also reflect an increase in the premium award monies. Our desire is to bring to the patrons of the California State Fair the best in California youth, to provide an outstanding display of creative projects and to encourage youth to get involved and pursue their talents and dreams.

Contact: Greg Kinder, (916-263-3033) gkinder@calexpo.com

March 26, 2008

Seth Bates, President
California Industrial and Technical
Education and Foundation
Dept. of Aviation and Technology
College of Engineering

VIA EMAIL

RE: Youth Art & Design Expo

Dear Mr. Bates

Thank you for taking the time to contact our General Manager regarding your concerns regarding our exhibits programs; and more specifically, the State Fair Industrial and Technical Education program.

We would like to take this opportunity to thank you for your continued support in this program. The enthusiasm and involvement of instructors motivating their students to produce projects of the highest quality has given the Fair year after year outstanding displays by California's youths.

New for 2008, is the combination of the Industrial & Technical Education and Youth Exhibits Competitive Programs into one new program called **Youth Art & Design Expo**. These traditional programs will be updated, reworked and modernized with a whole new look in one building within Expo Center.

One of the new directions that this program will present is an interactive demonstration area highlighting career paths, educational opportunities, colleges and universities, and lifestyles that may be available to today's youth and how they may continue to pursue their talents past high school. The competition will use the American System of Judging for all entries; this will ensure a high level of competition and also reflect an increase in the premium award monies. Our desire is to bring to the patrons of the California State Fair the best in California youth, to provide an outstanding display of creative projects, to encourage youth to get involved and pursue their talents and dreams.

The changes in these two programs are the beginning of many changes in all our programming the California State Fair will be looking to implement in the future. The fair industry is in competition with many other entertainment events and venues and in order to be current and relevant, the Fair must change. In combining Industrial & Technical Education and Youth Exhibits into one program, we are looking to begin formulating a program which will take the Fair from past traditional programming into programming with an eye into the future, the future of the youth of California and what they may do in their careers.



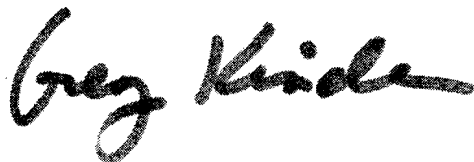
Seth Bates
March 26, 2008
Page 2

The Youth Art and Design Expo is open to all California youths, including all those who have exhibited in the past as long as they are within the age range. We redesigned and consolidated the divisions or categories with which projects are entered in order to facilitate the variety of entries the Fair receives. Regarding the divisions for the Industrial & Technical Education projects for the competition, we have been working with members of the Department of Education to define general competition areas that can capture a broad range of projects for entry. We do not intend to discourage but to encourage. We also strongly encourage entering and competing at local County Fairs as well. Due to new budgetary constraints on all of our programs, we are not able to continue with the moving company assistance for Southern California exhibitors at specified collection centers, we have not provided this type of support for any of our other competitions.

We do understand that change can be a difficult adjustment and we ask for your patience's as the Fair works to make the Youth Art & Design Expo a success. As with all of our other competitions, we are constantly making changes and adjustments. Both of these programs have not changed for quite some time and they were long overdue.

In the coming years, we will continue to make improvements, relying on the input from exhibitors, instructors, parents and the fair patrons, who are the audience our exhibits are intended for. We encourage your suggestions and comments; we know that to build a successful program it will take all of us to contribute, to be concerned and conscientious of the direction, needs and desires of our youth and audience. We want to provide a venue where the fair can present a pathway for our young exhibitors to exhibit their talents and are working in that direction.

Sincerely,
CALIFORNIA EXPOSITION & STATE FAIR

A handwritten signature in black ink that reads "Greg Kinder". The signature is written in a cursive, flowing style with a large, prominent "G" and "K".

Greg Kinder
Deputy Manager II

DIVISIONS & CLASSES OFFERED

Enter the Class according to your age as of January 1, 2008.

Class 1 age 5 to age 9 as of January 1, 2008

Class 2 age 10 to 12 as of January 1, 2008

Class 3 age 13 to 15 as of January 1, 2008

Class 4 age 16 to 18 as of January 1, 2008

Division **Classes 2-4**

INDUSTRIAL & TECHNOLOGY SHOW

ENGINEERING and DESIGN

605 CAD Drawing

610 Pen and Pencil Drafting

615 Models with Plans

MANUFACTURING and PRODUCT DEVELOPMENT

620 Machine and Forming Technology

625 Welding Technology

630 Graphic Arts Technology/Digital Design/Illustration

BUILDING TRADES and CONSTRUCTION

635 Cabinetry and Furniture Projects

Division **Classes 1-4**

CAREER ARTS, MEDIA & ENTERTAINMENT

640 Computer Animation

645 Video

650 Digital Art - Computer generated

655 Photography - NON-Computer altered, camera generated

660 Digital Design - Web Design/Computer Game Development/Online publishing

FASHION and INTERIOR DESIGN

665 Textiles/Fashion Design/Quilts

Division **Classes 1-4**

YOUTH FINE ART

670 Painting

675 Pen, Pencil & Printmaking

680 Pastels/Charcoal

685 Mixed Media & Collage

690 3D Sculpture

695 Watercolor

Division **Classes 1-4**

SPECIAL COMPETITIONS

700 Urban Bird

705 Art of Green

710 Art of Culture

715 Art of the Board

720 Gone Hollywood!

State of California

California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, California 95815
Tel: (916) 263-3283
Fax: (916) 263-3198
Email: delliott@calexpo.com

MEMORANDUM

Date: March 25, 2008
To: Board of Directors, Cal Expo
From: David Elliott
Via: Norb Bartosik
Subject: Harness Racing at Cal Expo; Update

It is difficult to compare figures or make any assumptions about the harness meet at this time as we have only operated the meet for 9 racing programs thus far. Without making any assumptions, I offer the following.

2007 March Period 9 Days SHA OPERATION vs. 2008 March Period 9 Days Cal Expo

	SHA	Cal Expo	
Live Races-	6,578,005	5,536,975	-16%
Import Races-	1,588,795	1,552,883	-2%

Cal Expo Operation – 9 days March 6 through March 22, 2008
SHA Operation- 16 days January 1 through January 31, 2008

Average Handle-

	On Track	Off Track	Out of State	ADW
CXPO	53,727	513,962	220,073	111,895
SHA	40,684	401,689	179,259	137,367

Purses Paid Report
Estimated

PURSES PAID REPORT ESTIMATED								
Date	Number of	Purses Paid	Starter	Cal Bred	Cal Bred	Total	Average	Starters
	Races		Bonus	Owner	Breeder		Per Race	
6-Mar	10	35,300.00	500.00	1,040.00	1,040.00	37,890.00	3,789	
7-Mar	14	54,800.00	400.00	790.00	790.00	56,794.00	4,057	
8-Mar	14	52,100.00	500.00	135.00	135.00	52,884.00	3,777	
Total Wk	38	142,200.00	1,400.00	1,965.00	1,965.00	147,568.00	3,874.38	280
13-Mar	11	34,700.00	650.00	890.00	890.00	37,130.00	3,375	
14-Mar	14	53,200.00	900.00	910.00	910.00	55,920.00	3,994	
15-Mar	14	54,000.00	900.00	590.00	590.00	56,080.00	4,006	
Total Wk	39	141,900.00	2,450.00	2,390.00	2,390.00	149,130.00	3,823.85	303
20-Mar	11	36,100.00	850.00	945.00	945.00	38,840.00	3,531	
21-Mar	13	47,500.00	850.00	470.00	470.00	49,290.00	3,792	
22-Mar	13	51,900.00	900.00	750.00	750.00	54,300.00	4,177	
Total Wk	37	135,500.00	2,600.00	2,165.00	2,165.00	142,430.00	3,849.46	293

Weekly Purses Paid Over/Under Report

ESTIMATED WEEKLY PURSES PAID OVER/UNDER REPORT						
Week	Purses	CHHA Admin	Horsemens	Purses After	Purses	Over/Under
	Generated	Fee @ 6%	Impact Fee	deductions	Paid inc.	Paid for week
3/6-3/8/2008	164,758.52	-9,885.51	-5,086.65	149,786.36	147,568.00	2,218.36
3/13-3/15/2008	167,725.61	-10,063.53	-4,605.85	153,056.23	149,130.00	3,926.23
3/20-3/22/2008	169,338.36	-10,160.30	-5,884.65	153,293.41	142,430.00	10,863.41

NOTICE OF DEFAULT AND TERMINATION OF AGREEMENT NO. 04-943

This Notice of Default and Termination of Agreement (Notice of Termination) is being issued by the CALIFORNIA EXPOSITION & STATE FAIR ("Cal Expo"), an independent entity of state government and directed to the SACRAMENTO HARNESS ASSOCIATION ("SHA"), a California non-profit corporation.

Recitals

- A. **Whereas**, on February 8, 2005, Cal Expo and SHA entered into Agreement No. 04-943 ("Agreement"), which provides for SHA to manage, maintain, operate, and conduct harness racing under certain terms and conditions on the racing facilities of Cal Expo.
- B. **Whereas**, Cal Expo and SHA amended the Agreement; namely (Amendment Number 1-September 1, 2005) SHA would conduct the State Fair Harness Race Meet, pay Cal Expo additional rent, and make certain capital improvements to the Satellite Wagering Facility; (Amendment Number 2-July 20, 2006), SHA would conduct the State Fair Harness Race Meet and the additional race dates that were awarded by the California Horse Racing Board (CHRB) to Cal Expo and pay Cal Expo additional rent; and (Amendment Number 3-May 22, 2006) that SHA, citing economic hardship and changed circumstances, was granted a rent reduction in year three of the Agreement by Cal Expo from \$3.7 million to \$2.1 million.
- C. **Whereas**, in December 2007, the CHRB, as part of its licensing process, required SHA to provide certain audited financial statements; to post a \$500,000 letter of credit; and to seek a rent reduction from Cal Expo in order to secure a license to conduct harness racing at Cal Expo for race meets occurring between December 2007 through August 2, 2008. In accordance with CHRB's requirements, on or about January 25, 2008, Cal Expo agreed, pursuant to SHA's request, to reduce the annual rent payment from \$2.1 to \$1.8 million.
- D. **Whereas**, on January 16, 2008, the CHRB issued SHA a conditional license to conduct harness racing meets at Cal Expo through March 30, 2008. The CHRB also informed SHA that it would consider an extension of SHA's license on February 28, 2008, conditioned on SHA providing CHRB with an audited financial statement for 2007 showing a positive net worth, a \$400,000 letter of credit to cover potential liabilities, a business plan for future operations, and other documentation showing SHA is operating at a profit.
- E. **Whereas**, on or about February 15, 2008, SHA notified Cal Expo and CHRB that it was unable and therefore will not satisfy the conditions required by the CHRB to obtain a license to conduct harness meets at Cal Expo.
- F. **Whereas**, on February 28, 2008, CHRB revoked SHA's conditional license and awarded Cal Expo a license, effective March 2, 2008, to conduct harness racing on the facilities of Cal Expo.

- G. **Whereas**, the Agreement provides, in pertinent part, "If the California Horse Racing Board does not award Association [SHA] a license for racing for any meeting period, then Cal Expo may, at its option, terminate this Agreement immediately by delivering written notice to Association (SHA)." The Agreement also provides that "Cal Expo may, at its option, terminate this Agreement upon five (5) days written notice to Association (SHA) upon the occurrence ... the California Horse Racing Board revokes, suspends, or refuses to grant the Association's (SHA) license to conduct racing at Cal Expo or in California during the term of this Agreement."
- H. **Whereas**, on or about and between December 2007 and March 2008, the parties entered into negotiations for the purpose of entering into a Termination Agreement and Release to amicably resolve all outstanding issues related to the Agreement, including but not limited to, termination of Agreement No. 04-943 and SHA's failure to meet and satisfy its financial obligations as set forth in the Agreement.
- I. **Whereas**, on or about March 14, 2008, SHA unexpectedly notified Cal Expo that it had no intention of entering into a Termination Agreement with Cal Expo.

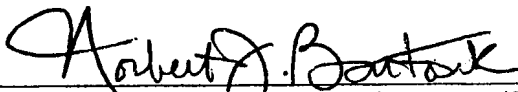
Now therefore, based on the foregoing recitals, Cal Expo provides the following Notice of Default and Termination of Agreement to SHA:

1. **PLEASED BE ADVISED:** SHA is hereby in default of section 2.(b) and section 4. of Agreement No. 04-943.
2. **PLEASE BE FURTHER ADVISED:** In accordance with the provisions set forth in the Agreement, Cal Expo hereby terminates Agreement No. 04-943 effective March 2, 2008.
3. **PLEASE BE FURTHER ADVISED:** Due to SHA's default, Cal Expo has been forced, as an emergency measure, to operate the harness race meets at Cal Expo. **Please be further advised** that Cal Expo has not and will not assume any contracts or obligations that SHA has entered into and is responsible for; namely, any and all indebtedness, promises, and representations incurred or made by SHA, for example; to Christo Bardis and any other person or entity, any contracts between SHA and other entities, including but not limited to, the harness horseman, unions, purchase agreements, and SHA employees, contractors, and agents.
4. **PLEASE BE FURTHER ADVISED:** SHA has not fully satisfied its financial obligations (payment of rent, reimbursables and finance charges) in accordance with the terms of the Agreement. Cal Expo hereby demands that SHA pay the sum of \$1,014,889.27 (which is owed as of March 27, 2008) in satisfaction of this financial obligation on or before April 15, 2008. Any other financial obligations which become known to Cal Expo after this date will be invoiced to SHA and Cal Expo hereby demands payment within fifteen calendar days (15) of the date of the invoice.

5. PLEASE BE FURTHER ADVISED: SHA must remove all equipment and personal property on or before April 15, 2008 unless otherwise agreed to by the parties. **Please be further advised:** any equipment and personal property that remains on the premises of Cal Expo after April 15, 2008, at 5 p.m. without the approval of Cal Expo will be treated as abandoned property and therefore will be retained or disposed of at Cal Expo's sole discretion.

Dated: March 27, 2008

CALIFORNIA EXPOSITION & STATE FAIR

A handwritten signature in black ink, appearing to read "Norbert J. Bartosik", written over a horizontal line.

By: Norbert J. Bartosik, General Manager/CEO

CALIFORNIA EXPOSITION & STATE FAIR

MWARD

DETAIL AGED A/R BY AGING COL.

AGED BY DUE DATE

PAST DUE ONLY Thu 3/27/2008 9:28:02 AM

PAGE 1

CUST: SACHA

INV SLP: ???

TRM: ??

CUSTOMER				OVER 30	OVER 60	OVER 90
				2/01/2008	1/01/2008	UP TO
				2/26/2008	1/31/2008	12/31/2007
DATE	TRM	INVOICE ----PO/UDF INFORMATION----	BALANCE			
SACHA				CREDIT RATING:		
11/01/2007	EM	10960 NOV 07 RENT/ UTILITIES	238,500.00			238,500.00
12/03/2007	EM	10990 DECEMBER 2007 RENT	210,000.00		210,000.00	
12/03/2007	EM	10991 DECEMBER 07 UTILITIES	22,500.00		22,500.00	
1/02/2008	30	11116 JAN 08 RENT	180,000.00	180,000.00		
1/31/2008	30	11146 JAN 08 UTILITIES	27,000.00			
2/11/2008	30	11149 DEC 07 REIMBURSABLES *	3,763.47			
2/19/2008		FC-0219	3,577.50	3,577.50		
2/25/2008	30	11171 MAY-JUNE 2007 FIRE MARSH	980.00			
2/29/2008	EM	11192 FEB 08 RENT	180,000.00			
2/29/2008	EM	11193 FEB 08 UTILITIES	28,500.00			
2/29/2008	30	11194 2/08ESTIMATE REIM	10,000.00			
3/12/2008	30	11215 JAN 08 REIMBURSABLES	10,303.30			
3/17/2008		FC-0317	9,765.00			
3/27/2008	30	11242 REIM LANDSCAPING SOUTHEN	40,000.00			
3/27/2008	30	11243 LABOR/MATERIALS REIM	50,000.00			
TOTALS:			1,014,889.27	183,577.50	232,500.00	238,500.00
GRAND TOTALS:			1,014,889.27	183,577.50	232,500.00	238,500.00
				18.09%	22.91%	23.50%

* = INVOICES WITH PARTIAL PAYMENTS (OR ADJUSTMENTS)

AMERICAN RIVER PARKWAY PLAN UPDATE 2006

SYNOPSIS OF CAL EXPO AREA PLAN CHANGES

Creates a West Cal Expo Trailhead, including a new trail overlook and access into the Parkway in the vicinity of Parking Lot A. Redesignates the land use from Nature Study to Limited Recreation.

Calls for connecting the Two Rivers Trail on the south side of the American River to the trail on the north side of the river through the construction of a bike/pedestrian crossing attached to the existing Business 80 bridge.

Allows year round parking in the existing State Fair Parking area. Also designates this as an equestrian staging area. The land use in this area is redesignated from Protected Area to Limited Recreation.

Allows construction of a wetland storm water treatment area to connect storm water discharges to Bushy Lake reducing the need to pump ground water to Bushy Lake.

Allows establishment of interpretive facilities to display the Parkways features and history and showcase the area for the State Fair.

Allows use of unsurfaced roadways to bicyclists on an approved basis.

Calls for a hand carry boat launch facility on the American River. Redesignates the land use from Protected Area to Limited Recreation.

2 - PROJECT DESCRIPTION

	Table PD-1 NEW POLICIES
	closure has generally occurred from just downstream of the Hazel Bridge to Ancil Hoffman Park.
5.26	The Park Ranger unit will monitor the boating speed of peace officers and other official boat users to ensure safe speeds near other Parkway users. Any visitor complaints will be forwarded to the appropriate agency.
5.29	Alcohol consumption is prohibited in designated areas within the Parkway. Areas of prohibition are regulated by County ordinance and should be signed accordingly.
5.33	Large special events may be permitted at Discovery Park on a periodic basis so long as natural resources are not degraded.
5.34	Small special events may be permitted in the Ancil Hoffman, Goethe Park, William B. Pond and Effie Yeaw Nature Center areas where events can be accommodated by existing facilities, so long as natural resources are not degraded.
5.35	Proper user education, facilities design and directional signage should be used to prevent user conflict, including conflicts between individual and group uses.
6.6	Agricultural activities that promote land stewardship, provide educational/interpretive services to Parkway users, or help to transition land to a restored state are consistent with the goals and policies of this Plan.
6.6.1	Agricultural activities in the Parkway should incorporate educational and interpretive programs. Sustainable, organic and wildlife-friendly farming practices are preferred.
6.6.2	Agricultural activities, as permitted per land use designation, may be used as a management tool on an interim basis to inhibit the spread of invasive species.
7.5	Privately owned parcels may be developed consistent with local zoning. Parcels should not be rezoned to encourage further development.
7.25	Between the confluence of the Sacramento and American rivers and the Capital City Freeway (Business-80) the Parkway context is the Sacramento downtown urban core for the Sacramento metropolitan region. Protection of the Parkway's aesthetic values in this reach should be accomplished within the context of creating a vital urban area. Development immediately adjacent to the Parkway shall respect the intent of the Parkway goals by reducing visual impacts through context sensitive site planning and building design.

2 - PROJECT DESCRIPTION

Table PD-3 AMENDED POLICIES	
7.20	New public utilities or similar public service facilities should be placed underground and the area revegetated with native plantings. If new public utilities or similar public service facilities must be placed above ground, impacts shall be minimized by clustering the facilities with existing facilities and Parkway crossings. Facilities shall be camouflaged with native trees and shrubbery plantings, and if appropriate, soundproof pump stations, without compromising public safety.
	<i>The impact of any new public utility or similar public service facilities on the Parkway shall be minimized by clustering the facilities with existing facilities and Parkway crossings, revegetating areas where utilities have been placed underground, and soundproofing pump stations. [5.4]</i>
7.22	Structures that are in the Parkway shall be of a design, color, texture and scale that minimizes adverse visual impacts within the Parkway.
	<i>Structures that are in the Parkway or visible from the Parkway shall be of a design, color and texture and scale that minimizes visual intrusion into the Parkway. [5.7]</i>
7.23	Levees, landscaping, or other man-made or natural buffers should be used to separate, buffer or screen the Parkway visually from adjoining land uses, unless the adjacent land uses are indistinguishable from the Parkway.
	<i>Levees, landscaping and other man-made or natural buffers should be used to separate the parkway visually and functionally from adjoining land uses. [6.4]</i>
7.24	In order to minimize adverse visual impacts on the aesthetic resources of the Parkway, local jurisdictions shall regulate adjacent development visible from the Parkway. These local regulations shall take into account the extent to which the development is visible from the Parkway. Regulations may include tools to address design, color, texture and scale, such as: Setbacks or buffers between the Parkway and the development. Structures to be stepped away from the Parkway or limits on building scale. Screening of structures visible from the Parkway with landscaping, preferably native vegetation or other naturally occurring features. Use of colors and materials including non-reflective surfaces, amount of glass, and requiring medium to dark earth tone colors that blend with the colors of surrounding vegetation, particularly in sensitive bluff or river's edge locations. Guidelines to discourage intrusive lighting and commercial advertising.

Table PD-3 AMENDED POLICIES	
	<i>Structures that are in the Parkway or visible from the Parkway shall be of a design, color and texture and scale that minimizes visual intrusion into the Parkway. [5.7]</i>
8.4	Parkway Managers shall encourage walking, bicycling, horseback riding, public transit and boating as forms of transportation to the Parkway. This is particularly important during peak use holidays and weekends to reduce traffic congestion and air pollution. In addition to its importance for recreational activities, the Jedediah Smith Memorial Trail is recognized and shall be maintained as an important bicycle transportation route in the Sacramento region.
	<i>Consideration shall be given to alternatives other than the automobile for transportation to the Parkway, particularly during peak use holidays and weekends. [7.4]</i>
8.11	Parkway trail connections to other local, regional and State trails shall be designed and located to support bicycle commuting and recreation with minimal damage to the Parkway's ecosystem.
	<i>Parkway trail connections to other County, regional and State trails shall be restricted to logical connecting points determined to be logical after field surveys. [7.9]</i>
8.17	All new facilities and renovations or alterations of existing facilities, where applicable for the intended use and access of the facility, shall be accessible to persons with disabilities. Designated entryways for accessible trails shall be installed at several locations throughout the Parkway. All trails designated for persons with disabilities shall be appropriately signed to serve persons with disabilities.
	<i>Designated handicapped accessible trails shall be installed, at an acceptable width and grade, at several locations throughout the Parkway. All handicapped-accessible trails shall be appropriately signed to discourage conflicting uses. [7.10]</i>

SUMMARY OF PROPOSED RESPONSE TO THE DRAFT EIR

**SUBJECT: DRAFT EIR FOR "AMERICAN RIVER PARKWAY PLAN UPDATE 2006"
(CONTROL NO: 03-GPB-0332)**

The California Exposition and State Fair (Cal Expo) has the following comments regarding the Draft Environmental Impact Report for the "American River Parkway Plan Update 2006". Cal Expo supports the "American River Parkway Plan Update 2006" and urges its adoption subject to the comments below for the Cal Expo Area Plan.

For Mitigation Measure LU-3 - Cal Expo recommends that option number 2 be adopted which would restrict the proposed Limited Recreation Area to the area of the levee, the levee slope, and the toe of the levee where the habitat is primarily grassy.

For Mitigation Measure LU-6 - Cal Expo recommends that option number 2 be adopted which would relocate the Interpretive Area shown on Cal Expo Area Plan in the center of Bushy Lake near an existing or proposed public access path or trail.

In "New Policies" Table PD-1, #7.25 - Cal Expo recommends that the boundary line to be considered "urban core" for the Sacramento metropolitan region be extended eastward to past the adjacent boundary with the California State University, Sacramento. This area is highly commercial with many existing structures on both sides of the Parkway.

New Policies Table PD-1, #10.18.1 - This policy must be modified if Mitigation Measure LU-3 is adopted as a trail access into the Parkway from the Cal Expo West Trailhead cannot be accomplished without crossing the Nature Study Area.

On Plate PD-2 "Map of Ownership" - Cal Expo should be added to the legend as the property owner of the land in the Cal Expo area. The "State" is incorrectly listed as the owner.

Amended Policies Table PD-3 #7.24 - This policy should be amended to include greater flexibility to reduce visual intrusion for areas of the parkway that pass through already existing commercial areas of the city and county.

The Map on Plate PD-7 "Cal Expo Area Plan" - needs to be corrected to show year round parking for equestrians and exhibitors. The Map currently shows a caption "Temporary Exhibitor Parking" (During State Fair Only).

Cal Expo feels that changes suggested represent the consensus of the Update Committee and the public process utilized to update the 1985 Parkway Plan.

California Exposition & State Fair

CALIFORNIA EXPOSITION & STATE FAIR

Horse Racing Committee

Friday, March 28, 2008

11:00 a.m.

MINUTES

Committee Members Present:

Steve Beneto, Chair
Director Gil Albiani
Director Bert Johnson

Staff Present:

General Manager/CEO (GM)
Deputy General Manager (DGM)
Assistant General Manager, Racing (AGM)
Assistant General Manager, Marketing &
Public Relations (AGM)
Accounting & Finance Manager
Admissions & Parking Manager
Recording Secretary

Norb Bartosik
Brian May
Dave Elliott
Erica Manuel
Amy Casias
Marcia Shell
Linda Contreras

Chair Beneto called the meeting to order at 11:05 a.m.

UNFINISHED BUSINESS

1. Review Sub-Committee Recommendations, if any, on the Termination and Release Agreement with Sacramento Harness Association.

DGM May reviewed the Termination and Release Agreement with Sacramento Harness Association and Notice of Default and Termination of Agreement served on Sacramento Harness Association. A copy is attached and made part of the record.

Sacramento Harness Association currently owes Cal Expo over \$1 million. Sacramento Harness Association is unable to commit to a payment schedule on the amount of the money it will have to meet its obligations. SCOTWINC and NOTWINC are holding some of the funds due to Sacramento Harness Association to pay off some of Sacramento Harness Association's obligations.

AGM Elliott updated the Committee on the harness meet with his report. Personnel costs for the first 3 weeks are \$30,000 under budget and \$110,000 less than Sacramento Harness Association. A copy is attached and made part of the record.

Motion:

It was moved by Director Johnson and seconded by Director Albiani to recommend to the Board for approval that Staff and Counsel pursue all legal remedies to recover the money owed by Sacramento Harness Association to Cal Expo. **All in favor, motion carried.**

ADJOURNMENT

The Horse Racing Committee meeting adjourned at 11:33 a.m.

NOTICE OF DEFAULT AND TERMINATION OF AGREEMENT NO. 04-943

This Notice of Default and Termination of Agreement (Notice of Termination) is being issued by the CALIFORNIA EXPOSITION & STATE FAIR ("Cal Expo"), an independent entity of state government and directed to the SACRAMENTO HARNESS ASSOCIATION ("SHA"), a California non-profit corporation.

Recitals

- A. **Whereas**, on February 8, 2005, Cal Expo and SHA entered into Agreement No. 04-943 ("Agreement"), which provides for SHA to manage, maintain, operate, and conduct harness racing under certain terms and conditions on the racing facilities of Cal Expo.
- B. **Whereas**, Cal Expo and SHA amended the Agreement; namely (Amendment Number 1-September 1, 2005) SHA would conduct the State Fair Harness Race Meet, pay Cal Expo additional rent, and make certain capital improvements to the Satellite Wagering Facility; (Amendment Number 2-July 20, 2006), SHA would conduct the State Fair Harness Race Meet and the additional race dates that were awarded by the California Horse Racing Board (CHRB) to Cal Expo and pay Cal Expo additional rent; and (Amendment Number 3-May 22, 2006) that SHA, citing economic hardship and changed circumstances, was granted a rent reduction in year three of the Agreement by Cal Expo from \$3.7 million to \$2.1 million.
- C. **Whereas**, in December 2007, the CHRB, as part of its licensing process, required SHA to provide certain audited financial statements; to post a \$500,000 letter of credit; and to seek a rent reduction from Cal Expo in order to secure a license to conduct harness racing at Cal Expo for race meets occurring between December 2007 through August 2, 2008. In accordance with CHRB's requirements, on or about January 25, 2008, Cal Expo agreed, pursuant to SHA's request, to reduce the annual rent payment from \$2.1 to \$1.8 million.
- D. **Whereas**, on January 16, 2008, the CHRB issued SHA a conditional license to conduct harness racing meets at Cal Expo through March 30, 2008. The CHRB also informed SHA that it would consider an extension of SHA's license on February 28, 2008, conditioned on SHA providing CHRB with an audited financial statement for 2007 showing a positive net worth, a \$400,000 letter of credit to cover potential liabilities, a business plan for future operations, and other documentation showing SHA is operating at a profit.
- E. **Whereas**, on or about February 15, 2008, SHA notified Cal Expo and CHRB that it was unable and therefore will not satisfy the conditions required by the CHRB to obtain a license to conduct harness meets at Cal Expo.
- F. **Whereas**, on February 28, 2008, CHRB revoked SHA's conditional license and awarded Cal Expo a license, effective March 2, 2008, to conduct harness racing on the facilities of Cal Expo.

- G. **Whereas**, the Agreement provides, in pertinent part, "If the California Horse Racing Board does not award Association [SHA] a license for racing for any meeting period, then Cal Expo may, at its option, terminate this Agreement immediately by delivering written notice to Association (SHA)." The Agreement also provides that "Cal Expo may, at its option, terminate this Agreement upon five (5) days written notice to Association (SHA) upon the occurrence ... the California Horse Racing Board revokes, suspends, or refuses to grant the Association's (SHA) license to conduct racing at Cal Expo or in California during the term of this Agreement."
- H. **Whereas**, on or about and between December 2007 and March 2008, the parties entered into negotiations for the purpose of entering into a Termination Agreement and Release to amicably resolve all outstanding issues related to the Agreement, including but not limited to, termination of Agreement No. 04-943 and SHA's failure to meet and satisfy its financial obligations as set forth in the Agreement.
- I. **Whereas**, on or about March 14, 2008, SHA unexpectedly notified Cal Expo that it had no intention of entering into a Termination Agreement with Cal Expo.

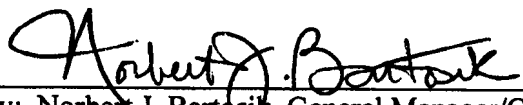
Now therefore, based on the foregoing recitals, Cal Expo provides the following Notice of Default and Termination of Agreement to SHA:

1. **PLEASED BE ADVISED:** SHA is hereby in default of section 2.(b) and section 4. of Agreement No. 04-943.
2. **PLEASE BE FURTHER ADVISED:** In accordance with the provisions set forth in the Agreement, Cal Expo hereby terminates Agreement No. 04-943 effective March 2, 2008.
3. **PLEASE BE FURTHER ADVISED:** Due to SHA's default, Cal Expo has been forced, as an emergency measure, to operate the harness race meets at Cal Expo. **Please be further advised** that Cal Expo has not and will not assume any contracts or obligations that SHA has entered into and is responsible for; namely, any and all indebtedness, promises, and representations incurred or made by SHA, for example; to Christo Bardis and any other person or entity, any contracts between SHA and other entities, including but not limited to, the harness horseman, unions, purchase agreements, and SHA employees, contractors, and agents.
4. **PLEASE BE FURTHER ADVISED:** SHA has not fully satisfied its financial obligations (payment of rent, reimbursables and finance charges) in accordance with the terms of the Agreement. Cal Expo hereby demands that SHA pay the sum of \$1,014,889.27 (which is owed as of March 27, 2008) in satisfaction of this financial obligation on or before April 15, 2008. Any other financial obligations which become known to Cal Expo after this date will be invoiced to SHA and Cal Expo hereby demands payment within fifteen calendar days (15) of the date of the invoice.

5. PLEASE BE FURTHER ADVISED: SHA must remove all equipment and personal property on or before April 15, 2008 unless otherwise agreed to by the parties. **Please be further advised:** any equipment and personal property that remains on the premises of Cal Expo after April 15, 2008, at 5 p.m. without the approval of Cal Expo will be treated as abandoned property and therefore will be retained or disposed of at Cal Expo's sole discretion.

Dated: March 27, 2008

CALIFORNIA EXPOSITION & STATE FAIR


By: Norbert J. Bartosik, General Manager/CEO

CALIFORNIA EXPOSITION & STATE FAIR

MWARD

DETAIL AGED A/R BY AGING COL.

AGED BY DUE DATE

PAST DUE ONLY Thu 3/27/2008 9:28:02 AM

PAGE 1

CUST: SACHA

INV SLP: ???

TRM: ??

CUSTOMER

OVER 30 OVER 60 OVER 90
2/01/2008 1/01/2008 UP TO
2/26/2008 1/31/2008 12/31/2007

DATE TRM INVOICE ----PO/UDF INFORMATION---- BALANCE

SACHA SACRAMENTO HARNESS BENEVOLENT ASSOC CREDIT RATING:

11/01/2007	EM	10960 NOV 07 RENT/ UTILITIES	238,500.00		238,500.00
12/03/2007	EM	10990 DECEMBER 2007 RENT	210,000.00		210,000.00
12/03/2007	EM	10991 DECEMBER 07 UTILITIES	22,500.00		22,500.00
1/02/2008	30	11116 JAN 08 RENT	180,000.00	180,000.00	
1/31/2008	30	11146 JAN 08 UTILITIES	27,000.00		
2/11/2008	30	11149 DEC 07 REIMBURSABLES *	3,763.47		
2/19/2008		FC-0219	3,577.50	3,577.50	
2/25/2008	30	11171 MAY-JUNE 2007 FIRE MARSH	980.00		
2/29/2008	EM	11192 FEB 08 RENT	180,000.00		
2/29/2008	EM	11193 FEB 08 UTILITIES	28,500.00		
2/29/2008	30	11194 2/08ESTIMATE REIM	10,000.00		
3/12/2008	30	11215 JAN 08 REIMBURSABLES	10,303.30		
3/17/2008		FC-0317	9,765.00		
3/27/2008	30	11242 REIM LANDSCAPING SOUTHEN	40,000.00		
3/27/2008	30	11243 LABOR/MATERIALS REIM	50,000.00		

TOTALS: 1,014,889.27 183,577.50 232,500.00 238,500.00

GRAND TOTALS: 1,014,889.27 183,577.50 232,500.00 238,500.00

18.09% 22.91% 23.50%

* = INVOICES WITH PARTIAL PAYMENTS (OR ADJUSTMENTS)

State of California

California Exposition & State Fair
1600 Exposition Blvd.
Sacramento, California 95815
Tel: (916) 263-3283
Fax: (916) 263-3198
Email: delriott@calexpo.com

MEMORANDUM

Date: March 25, 2008
To: Board of Directors, Cal Expo
From: David Elliott
Via: Norb Bartosik
Subject: Harness Racing at Cal Expo; Update

It is difficult to compare figures or make any assumptions about the harness meet at this time as we have only operated the meet for 9 racing programs thus far. Without making any assumptions, I offer the following.

2007 March Period 9 Days SHA OPERATION vs. 2008 March Period 9 Days Cal Expo

	SHA	Cal Expo	
Live Races-	6,578,005	5,536,975	-16%
Import Races-	1,588,795	1,552,883	-2%

Cal Expo Operation – 9 days March 6 through March 22, 2008
SHA Operation- 16 days January 1 through January 31, 2008

Average Handle-

	On Track	Off Track	Out of State	ADW
CXPO	53,727	513,962	220,073	111,895
SHA	40,684	401,689	179,259	137,367

Purses Paid Report
Estimated

PURSES PAID REPORT ESTIMATED								
Date	Number of Races	Purses Paid	Starter Bonus	Cal Bred Owner	Cal Bred Breeder	Total	Average Per Race	Starters
6-Mar	10	35,300.00	500.00	1,040.00	1,040.00	37,890.00	3,789	
7-Mar	14	54,800.00	400.00	790.00	790.00	56,794.00	4,057	
8-Mar	14	52,100.00	500.00	135.00	135.00	52,884.00	3,777	
Total Wk	38	142,200.00	1,400.00	1,965.00	1,965.00	147,590.00	3,874.38	280
13-Mar	11	34,700.00	650.00	890.00	890.00	37,130.00	3,375	
14-Mar	14	53,200.00	900.00	910.00	910.00	55,920.00	3,994	
15-Mar	14	54,000.00	900.00	590.00	590.00	56,080.00	4,006	
Total Wk	39	141,900.00	2,450.00	2,390.00	2,390.00	149,130.00	3,823.85	303
20-Mar	11	36,100.00	850.00	945.00	945.00	38,840.00	3,531	
21-Mar	13	47,500.00	850.00	470.00	470.00	49,290.00	3,792	
22-Mar	13	51,900.00	900.00	750.00	750.00	54,300.00	4,177	
Total Wk	37	135,500.00	2,600.00	2,165.00	2,165.00	142,430.00	3,849.46	293

Weekly Purses Paid Over/Under Report

ESTIMATED WEEKLY PURSES PAID OVER/UNDER REPORT						
Week	Purses	CHHA Admin	Horseemens	Purses After	Purses	Over/Under
	Generated	Fee @ 6%	Impact Fee	deductions	Paid inc.	Paid for week
3/6-3/8/2008	164,758.52	-9,885.51	-5,086.65	149,786.36	147,568.00	2,218.36
3/13-3/15/2008	167,725.61	-10,063.53	-4,605.85	153,056.23	149,130.00	3,926.23
3/20-3/22/2008	169,338.36	-10,160.30	-5,884.65	153,293.41	142,430.00	10,863.41

CALIFORNIA EXPOSITION & STATE FAIR

State Fair, Agriculture & Marketing Committee Minutes
Friday, March 28, 2008
10:00 a.m.

MINUTES

Committee Members Present:	Director Gil Albiani
Committee Members Absent:	Amparo Pérez-Cook, Chair Director Kathy Nakase
Board Members Present:	Director Marko Mlikotin Director Bert Johnson
Staff Present:	
General Manager/CEO (GM)	Norb Bartosik
Deputy General Manager (DGM)	Brian May
Assistant General Manager, Programs (AGM)	Patricia Garamendi
Assistant General Manager, Marketing & Public Relations (AGM)	Erica Manuel
Admissions & Parking Manager	Marcia Shell
Exposition Event Manager	Louise Shroder
Sponsorship Sales	Brian Honebein
Chief Bureau of Exhibits (CBE)	Michael Bradley
Exhibits Supervisor	Greg Kinder
Entertainment Coordinator	Paul Gillingham
Recording Secretary	Linda Contreras

Director Albiani called the meeting to order at 10:05 a.m. Directors Nakase and Pérez-Cook had asked to be excused and were not present.

NEW BUSINESS

1. Review for Approval Staff Recommendation of the Changes to the 2008 General Rules

CBE Bradley reviewed Staff recommendation of the changes to the 2008 General Rules included in the Board packet.

Exhibits Supervisor, Greg Kinder distributed information on the Youth Art & Design Expo program. A copy is attached and made part of the record.

The Department of Education supports the changes. Three pieces of correspondence have been received expressing concern with the changes.

Motion:

It was moved by Director Johnson and seconded by Director Mlikotin to accept and recommend to the Board for approval Staff Recommendation of the Changes to the 2008 General Rules. **All in favor, motion carried.**

2. Review for Approval Staff Recommendation of Proposed Rule Changes for the California State Fair Western National Junior Guernsey Show

CBE Bradley reviewed Staff recommendation of Proposed Rule Changes for the California State Fair Western National Junior Guernsey Show included in the Board packet.

Motion:

It was moved by Director Mlikotin and seconded by Director Johnson to accept and recommend to the Board for approval Staff Recommendation of the Proposed Rule Changes for the California State Fair Western National Junior Guernsey Show. **All in favor, motion carried.**

MATTERS OF INFORMATION

1. Staff Reports

AGM Manuel reviewed her report included in the Board packet.

Brian Honebein, Sponsorship Sales, provided an update to the Committee. Kaiser and Carl's Jr. have agreed to sponsorships with the State Fair. Staff is hoping to secure a sponsorship with McDonalds for a Monday promotion.

AGM Manuel reported MeringCarson will present to the Board this afternoon three advertising campaigns for the State Fair for consideration.

AGM Manuel distributed an article in today's Sacramento Bee on the Sacramento Harness Association. A copy is attached and made part of the record.

AGM Manuel reported that the Cultural Advisory Council met last week and MeringCarson presented the three advertising campaigns for the State Fair. The Cultural Advisory Council has scheduled a meeting to discuss the Entertainment for the State Fair on Tuesday, April 18.

Discussion ensued about a State Fair scrip program for schools that could sell State Fair tickets and raise money for the school organization.

Directors Albiani and Mlikotin expressed the desire that more discount programs be offered to drive attendance.

CBE Bradley provided an update to the Committee on the Golden Bear Award and Agriculturist of the Year Award nominations. The applications have been sent to a sub-committee and they will determine up to three candidates and present the names to the Agricultural Advisory Council which will make the nomination sometime in mid-April to the Board.

AGM Garamendi reviewed her report included in the Board packet. AGM Garamendi reported about 156 applications had been received for the State Fair Scholarship program. The money for the exhibit "My Heroes Have Always Been Cowboys" will not be available for the 2008 State Fair but may be available for the 2009 State Fair.

Director Johnson thinks that the California Beef Council may be willing to assist with the exhibit "My Heroes Have Always Been Cowboys" and asked Staff to follow up.

ADJOURNMENT

The State Fair, Agriculture and Marketing Committee meeting adjourned at 10:53 a.m.

Approval GK
2008 Fact Sheet

2008 CALIFORNIA STATE FAIR
YOUTH ART & DESIGN EXPO

LOCATION: Expo Center Building 1

DATE: August 15– September 1, 2008

HOURS: 10:00 a.m. – 10:00 p.m. (Friday-Sunday and Labor Day)
12:00 noon – 10:00 p.m. (Monday – Thursday)

FACTS: New for 2008, is the combination of the Industrial & Technical Education and Youth Exhibits Competitive Programs into one new program called **Youth Art & Design Expo**. These traditional programs will be updated, reworked and modernized with a whole new look in one building within Expo Center.

In combining Industrial & Technical Education and Youth Exhibits into one program, we are looking to begin formulating a program which will take the Fair from past traditional programming into programming with an eye into the future, the future of the youth of California and what they may do in their careers. Regarding the divisions for the Industrial & Technical Education projects for the competition, we have been working with members of the Department of Education to define general competition areas that can capture a broad range of projects for entry. Opportunities for independent youth are who had previously exhibited in Youth Exhibits are also plentiful in the new program. The Youth Art and Design Expo is open to all California youths between age 5 and 18.

One of the new directions that this program will present is an interactive demonstration area highlighting career paths, educational opportunities, colleges and universities, and lifestyles that may be available to today's youth and how they may continue to pursue their talents past high school. The competition will use the American System of Judging for all entries; this will ensure a high level of competition and also reflect an increase in the premium award monies. Our desire is to bring to the patrons of the California State Fair the best in California youth, to provide an outstanding display of creative projects and to encourage youth to get involved and pursue their talents and dreams.

Contact: Greg Kinder, (916-263-3033) gkinder@calexpo.com

March 26, 2008

Seth Bates, President
California Industrial and Technical
Education and Foundation
Dept. of Aviation and Technology
College of Engineering

VIA EMAIL

RE: Youth Art & Design Expo

Dear Mr. Bates

Thank you for taking the time to contact our General Manager regarding your concerns regarding our exhibits programs; and more specifically, the State Fair Industrial and Technical Education program.

We would like to take this opportunity to thank you for your continued support in this program. The enthusiasm and involvement of instructors motivating their students to produce projects of the highest quality has given the Fair year after year outstanding displays by California's youths.

New for 2008, is the combination of the Industrial & Technical Education and Youth Exhibits Competitive Programs into one new program called **Youth Art & Design Expo**. These traditional programs will be updated, reworked and modernized with a whole new look in one building within Expo Center.

One of the new directions that this program will present is an interactive demonstration area highlighting career paths, educational opportunities, colleges and universities, and lifestyles that may be available to today's youth and how they may continue to pursue their talents past high school. The competition will use the American System of Judging for all entries; this will ensure a high level of competition and also reflect an increase in the premium award monies. Our desire is to bring to the patrons of the California State Fair the best in California youth, to provide an outstanding display of creative projects, to encourage youth to get involved and pursue their talents and dreams.

The changes in these two programs are the beginning of many changes in all our programming the California State Fair will be looking to implement in the future. The fair industry is in competition with many other entertainment events and venues and in order to be current and relevant, the Fair must change. In combining Industrial & Technical Education and Youth Exhibits into one program, we are looking to begin formulating a program which will take the Fair from past traditional programming into programming with an eye into the future, the future of the youth of California and what they may do in their careers.



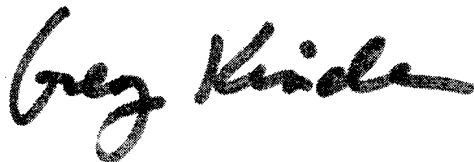
Seth Bates
March 26, 2008
Page 2

The Youth Art and Design Expo is open to all California youths, including all those who have exhibited in the past as long as they are within the age range. We redesigned and consolidated the divisions or categories with which projects are entered in order to facilitate the variety of entries the Fair receives. Regarding the divisions for the Industrial & Technical Education projects for the competition, we have been working with members of the Department of Education to define general competition areas that can capture a broad range of projects for entry. We do not intend to discourage but to encourage. We also strongly encourage entering and competing at local County Fairs as well. Due to new budgetary constraints on all of our programs, we are not able to continue with the moving company assistance for Southern California exhibitors at specified collection centers, we have not provided this type of support for any of our other competitions.

We do understand that change can be a difficult adjustment and we ask for your patience's as the Fair works to make the Youth Art & Design Expo a success. As with all of our other competitions, we are constantly making changes and adjustments. Both of these programs have not changed for quite some time and they were long overdue.

In the coming years, we will continue to make improvements, relying on the input from exhibitors, instructors, parents and the fair patrons, who are the audience our exhibits are intended for. We encourage your suggestions and comments; we know that to build a successful program it will take all of us to contribute, to be concerned and conscientious of the direction, needs and desires of our youth and audience. We want to provide a venue where the fair can present a pathway for our young exhibitors to exhibit their talents and are working in that direction.

Sincerely,
CALIFORNIA EXPOSITION & STATE FAIR

A handwritten signature in black ink that reads "Greg Kinder". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Greg Kinder
Deputy Manager II

DIVISIONS & CLASSES OFFERED

Enter the Class according to your age as of January 1, 2008.

Class 1 age 5 to age 9 as of January 1, 2008
Class 2 age 10 to 12 as of January 1, 2008
Class 3 age 13 to 15 as of January 1, 2008
Class 4 age 16 to 18 as of January 1, 2008

Division **Classes 2-4**

INDUSTRIAL & TECHNOLOGY SHOW

ENGINEERING and DESIGN

605 CAD Drawing
610 Pen and Pencil Drafting
615 Models with Plans

MANUFACTURING and PRODUCT DEVELOPMENT

620 Machine and Forming Technology
625 Welding Technology
630 Graphic Arts Technology/Digital Design/Illustration

BUILDING TRADES and CONSTRUCTION

635 Cabinetry and Furniture Projects

Division **Classes 1-4**

CAREER ARTS, MEDIA & ENTERTAINMENT

640 Computer Animation
645 Video
650 Digital Art - Computer generated
655 Photography - NON-Computer altered, camera generated
660 Digital Design - Web Design/Computer Game Development/Online publishing

FASHION and INTERIOR DESIGN

665 Textiles/Fashion Design/Quilts

Division **Classes 1-4**

YOUTH FINE ART

670 Painting
675 Pen, Pencil & Printmaking
680 Pastels/Charcoal
685 Mixed Media & Collage
690 3D Sculpture
695 Watercolor

Division **Classes 1-4**

SPECIAL COMPETITIONS

700 Urban Bird
705 Art of Green
710 Art of Culture
715 Art of the Board
720 Gone Hollywood!



This story is taken from [Sacbee / Sports](#).

CHRB sorts debt left by Sac Harness

An agreement assures purses will be paid out by next week.

**By Debbie Arrington - darrington@sacbee.com
Published 12:00 am PDT Friday, March 28, 2008**

SAN MATEO – The now-defunct Sacramento Harness Association left behind plenty of debt, including more than \$1 million owed in rent to its former landlord Cal Expo.

But according to assurances received by the California Horse Racing Board on Thursday, about \$650,000 in purses awarded to local harness horsemen will be paid out by next week.

"The horsemen are going to be paid, starting (Thursday) night," said trainer Jim Perez, executive director of the California Harness Horsemen's Association. "SHA told us the purse accounts will be made whole."

That guarantee came with the help of the horsemen's association, which agreed to give more than \$100,000 back to SHA so it could fulfill the purse accounts. The association had been paid fees based on a percentage of purses, but SHA had overpaid purses by more than \$1.2 million, which led in part to its insolvency.

"We've signed an agreement and it's a done deal," said Perez, adding that the exact amount of the payback is yet to be determined. "... When people go to the paymaster (in charge of purse accounts) to ask for their money, it should be all there."

In 2007, more than \$181 million was wagered on Cal Expo harness races and its simulcasts, an average of almost \$940,000 a night, according to the CHRB. Horsemen were awarded about \$8.5 million in purses.

So far, horsemen are happy with Cal Expo's takeover of the meet, Perez said. "Our horsemen are tough. ... We've been through a lot of hard times. But our horsemen are still here and they're putting on a great show."

During a marathon meeting at Bay Meadows, the commissioners heard staff detail problems left behind by the cash-strapped SHA, which suddenly went out of business earlier this month. Cal Expo took over the meet March 6.

Among the bills yet to be paid is about \$134,000 owed to the California Sires Stakes fund, which comes from a percentage of wagers and supports the state's major stakes program for harness horses.

"We have an obligation to at least try to get the sires stakes program and the horse men their money," CHRB chairman Richard Shapiro said. "By law, that money should have gone to the sires stakes program, instead it was used for other purposes including operating expenses."

Go to: [Sacbee](#) / [Back to story](#)

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CALIFORNIA EXPOSITION & STATE FAIR

Finance & Audit Committee
Friday, March 28, 2008
9:00 a.m.

MINUTES

Committee Members Present:

Corny Gallagher, Chair
Director Marko Mlikotin
Director Marilyn Hendrickson

Staff Present:

General Manager/CEO (GM)	Norb Bartosik
Deputy General Manager (DGM)	Brian May
Accounting & Finance Manager	Amy Casias
Assistant General Manager, Racing (AGM)	Dave Elliott
Assistant General Manager, Planning & Facilities (AGM)	Steve Launey
Assistant General Manager, Programs (AGM)	Patricia Garamendi
Exposition Event Manager	Louise Shroder
Admissions & Parking Manager	Marcia Shell
Sponsorship Sales	Brian Honebein
Recording Secretary	Linda Contreras

Chair Gallagher called the meeting to order at 9:00 a.m.

NEW BUSINESS

1. Monthly Financial Statements for January 2008 and February 2008

Accounting & Finance Manager Casias reviewed the monthly financial statements included in the Board packet.

Cash flow is currently at \$1,000,000, less than projected due to the Sacramento Harness Association accounts receivable. Cash flow is being monitored daily and Bank of the West has offered a no cost line of credit, if needed.

Discussion ensued about the timing of the receipt of revenues from harness operations.

Motion:

It was moved by Director Hendrickson and seconded by Director Mlikotin to accept and recommend to the Board for approval the monthly financial statements for January 2008 and February 2008. **All in favor, motion carried.**

2. Contracts/Purchases Requiring Board Approval

Accounting & Finance Manager Casias reviewed the Contracts/Purchases Requiring Board Approval included in the Board packet.

Motion:

It was moved by Director Mlikotin and seconded by Director Hendrickson to accept and recommend to the Board the Contracts/Purchases Requiring Board Approval. **All in favor, motion carried.**

MATTERS OF INFORMATION

1. Contracts/Purchases Requiring Board Notification

Accounting & Finance Manager Casias reviewed the Contract/Purchases Requiring Board Notification with the Committee.

2. Accounts Receivable Report

Accounting & Finance Manager Casias reviewed the Accounts Receivable Report with the Committee.

Accounting & Finance Manager Casias reported a change to the amount for Sacramento Harness Association. Two additional invoices have been sent to Sacramento Harness Association for \$50,000 for backstretch repairs and, \$40,000 for landscaping services. Also, the California Department of Boating and Waterways and Sisters Schnoor payments are expected within 3 weeks.

Accounting & Finance Manager Casias reported to the Committee that the Relief of Accountability will be brought to the Board for approval next month.

Staff is working hard at reducing expenses. New internal budget controls have been implemented.

ADJOURNMENT

The Finance & Audit Committee meeting adjourned at 9:50 a.m.